

**To The Owners of Monroe County Industrial Development Authority's
Industrial Development Revenue Bonds (North Key Largo Utility Corp. Project),
Series 1995 (the "Owners"):**

1. Introduction to the Offer. North Key Largo Utility Corp. (the "Company") hereby offers to exchange all of the outstanding \$2,965,000 aggregate principal amount of Industrial Development Revenue Bonds, Series 1995 (the "1995 Bonds"), upon the terms set forth in this Offer to Exchange (the "Offer to Exchange") and in the related Letter of Transmittal (which together constitute the "Offer") for a like aggregate principal amount of Industrial Development Bonds (North Key Largo Utility Corp. Project), Series 2005 (the "2005 Bonds") maturing on the same date and year and having the same redemption provisions as the 1995 Bonds. The Company has undertaken this Offer for the purpose of achieving a reduction in debt service on the 2005 Bonds and, further, providing for the issuance of indebtedness in the future on a parity with the 2005 Bonds by executing and delivering new basic documents authorizing the issuance of the 2005 Bonds and any future indebtedness. Owners tendering their 1995 Bonds in exchange for 2005 Bonds will, thereby, consent to the new basic documents, as further described herein.

The 1995 Bonds are subject to redemption, at the option of the Company, in whole or in part on the first business day of any month on or after March 1, 2005, and in the case of any 1995 Bonds redeemed between March 1, 2005 through February 28, 2006, at a redemption price of (a) 102% of the principal amount thereof, plus (b) accrued interest. Any 1995 Bonds not tendered pursuant to this Offer will be redeemed on the earliest redemption date in compliance with the terms of the trust indenture (the "Indenture") dated as of March 1, 1995, between the Authority, as Grantor and First Union National Bank of Florida, as trustee (the "Original Trustee"). Said Original Trustee is now known as Wachovia Bank, National Association. See Section 2 below, *"Certain Information Concerning the 1995 Bonds, Background."*

Owners may tender their 1995 Bonds for exchange, on or before April __, 2005, which is the initial Expiration Date, by delivery of such 1995 Bonds to Wachovia Bank, National Association (the "Depository"), as the depository for the tendering Owners. The Company may extend the Expiration Date for up to 60 days, in the manner described in Section 4 below, *Expiration of Offer*. Following the Expiration Date, the 1995 Bonds will be held by the Depository for a period up to 90 days, during which period 1995 Bonds that have been tendered may not be withdrawn. Not later than the end of this 90-day period (the "No-Rescission Period"), which period commences on the Expiration Date, the Company must issue Owners of duly tendered Bonds the 2005 Bonds (as described below), or the tender of Bonds may thereafter be withdrawn or rescinded by the Owners.

The Company is expected to cause the Monroe County Industrial Development Authority (the "Authority") to issue and deliver 2005 Bonds in a principal amount sufficient to exchange said 2005 Bonds for all 1995 Bonds tendered by Owners. Following the Expiration Date, if sufficient quantities of 1995 Bonds have been tendered, the Company intends to cause the Authority to issue 2005 Bonds in the same amounts and maturities as the tendered 1995 Bonds to the holders of the 1995 tendered Bonds. The Company will pay for all costs of the tender and exchange from

funds that are not derived from the proceeds of a tax-exempt borrowing. If not all 1995 Bonds are tendered, the Company intends to cause the Authority to redeem all outstanding 1995 Bonds, and the Company will pay for all costs of redemption of the untendered 1995 Bonds from funds that are not derived from the proceeds of a tax-exempt borrowing. The purpose of the No-Rescission Period is to enable the structuring of the redemption of the untendered 1995 Bonds to take place in circumstances in which the amount of 1995 Bonds being tendered can definitely be ascertained.

The 2005 Bonds issued by the Authority will constitute limited obligations of the Authority payable solely from revenues derived from the Company and will not constitute an indebtedness of the Authority or of Monroe County, Florida, the State of Florida or any political subdivision or agency thereof within the meaning of any State of Florida constitutional or statutory provision.

The Company reserves the right, in its sole discretion, to terminate, amend, or withdraw the Offer at any time. Unless the Company has previously withdrawn or amended the Offer, the Company will be obligated to exchange all 1995 Bonds properly tendered, subject only to the conditions set forth in Section 10 of this Offer. One of those conditions is that the Authority issue 2005 Bonds in an amount sufficient to exchange such 2005 Bonds for all tendered 1995 Bonds. An unqualified legal opinion of Livermore, Freeman & McWilliams, P.A., Jacksonville, Florida, will be delivered to the effect that interest on the 2005 Bonds issued in exchange for 1995 Bonds is excluded from gross income for purposes of federal income taxation. The Company reserves the right to waive any and all conditions to its obligation to the exchange of tendered 1995 Bonds. See Section 10 "*Certain Conditions of the Offer*" for details relating to the conditions of the Offer.

2. Information Concerning the 1995 Bonds. (a) Background. The 1995 Bonds were issued on March 9, 1995, by the Authority in the original aggregate principal amount of \$3,400,000 pursuant to the Indenture.

The Authority loaned the proceeds of the 1995 Bonds to the Company pursuant to a Loan Agreement, dated as of March 1, 1995 (the "Loan Agreement"), between the Authority and the Company, in order to (i) finance the cost of the acquisition of the 450,000 gpd central wastewater collection, transmission, treatment and disposal system then owned by Ocean Reef Club, Inc., located in Key Largo, Monroe County, Florida, (ii) finance the cost of certain improvements to said facilities, (iii) fund an account capitalizing a portion of interest accruing on the 1995 Bonds, and (iv) pay certain costs of issuance and delivery of the 1995 Bonds.

The 1995 Bonds consist of a single term bond maturing March 1, 2025 in denominations of \$100,000 each or integral multiples thereof, and bearing interest at the rate of 8.00% per annum.

In addition to optional redemption, described in Section 1, above, the 1995 Bonds are subject to mandatory sinking fund redemption in the years and amounts set forth below.

<u>March 1</u>	<u>Principal Amount to be Redeemed</u>	<u>March 1</u>	<u>Principal Amount to be Redeemed</u>
		2016	\$140,000
2006	\$65,000	2017	151,000
2007	70,000	2018	163,000
2008	76,000	2019	176,000
2009	82,000	2020	190,000
2010	88,000	2021	205,000
2011	95,000	2022	222,000
2012	103,000	2023	240,000
2013	111,000	2024	259,000
2014	120,000	2025	280,000
2015	129,000		

(b) Security for the 1995 Bonds.

The 1995 Bonds are payable solely from and secured solely by the revenues and receipts derived from the Loan Agreement, the Promissory Note and the Mortgage. To secure the payment of the principal of, premium, if any, and interest on the 1995 Bonds and to secure the performance and observance by the Issuer of its obligations under the Indenture, the Issuer has pledged to the Trustee, for the equal and proportionate benefit of all owners of the 1995 Bonds all of the rights and interests of the Issuer in and to the Promissory Note; the Loan Agreement (except for the Unassigned Issuer's Rights and amounts on deposit in the Rebate Fund and the investment income thereon); the Mortgage and the Mortgaged Property; and the Pledged Funds.

The Indenture defines Pledged Funds as, collectively, the Revenues and the proceeds derived from the foreclosure (or in lieu of foreclosure) of the first mortgage lien on and security interest in all real and personal property of the Company, including the Project, created by the Mortgage. Revenues means (a) the Loan Payments; (b) all other moneys received or to be received by the Issuer or the Trustee in respect to repayment of the Loan, including without limitation, moneys in the Bond Fund; (c) Utility Revenues (all income, fees, rentals, earnings or other charges derived by the Company from the operation of the System, including connection charges); (d) any moneys in the Project Fund; and (e) all income and profit from the investment of the foregoing moneys. The term "Revenues" does not include any moneys or investments in the Rebate Fund.

All Loan Payments and receipts derived from the Loan Agreement or the Promissory Note are to be deposited with the Trustee in the Bond Fund created pursuant to the Indenture. Pursuant to the Loan Agreement, the Company has unconditionally agreed to provide the Issuer sufficient moneys from the Pledged Funds to pay the Amortization Installments, principal of, premium, if any, and interest on the Bonds when due.

Pursuant to the Indenture, the Trustee established an account within the Bond Fund designated as the Reserve Account. Full capitalization of the Reserve Account on the date of issuance of the Bonds from proceeds of the sale of the Bonds was not

required because the Company had provided for an irrevocable letter of credit issued by Community Bank of Homestead, Homestead, Florida, to be deposited in the Reserve Account.

The Indenture requires the Company to fix, establish and maintain such rates and will collect such fees, rentals and other charges for the use of the services and facilities of the System and revise the same from time to time, whenever necessary, as will always provide Utility Revenues in each Bond Year sufficient to pay 100% of the Cost of Operation and Maintenance, 110% of the current Debt Service Requirement, and 100% of all reserve and renewal and replacement payments. Such rates, fees, rentals or other charges shall not be reduced so as to be insufficient to provide Utility Revenues for such purposes.

Pursuant to the Mortgage, the Company granted a first lien, subject to Permitted Encumbrances (as defined in the Mortgage), on the Mortgaged Real Estate (as defined in the Mortgage), which Mortgaged Real Estate includes the real estate on which the wastewater collection and treatment facility is and will be located and all buildings, fixtures, licenses, easements and other rights or interests of the Company located on the real estate encumbered by the Mortgage. The Mortgage also grants a security interest in, subject to Permitted Encumbrances, all fixtures and other property located on the Mortgaged Real Estate, including replacements or additions thereto. An ALTA title insurance policy on the mortgaged property in an amount not less than the purchase price for the System was delivered at the time of delivery of the 1995 Bonds.

3. *Security for the 2005 Bonds.*

Pursuant to the Loan Agreement, the Company will agree, among other things, to make loan payments to the Bond Trustee, on behalf of the Authority, in such amounts and at such times as will be sufficient to pay, when due, the principal of, premium, if any, and interest on the Bonds and all other amounts due under the Loan Agreement.

Pursuant to the Bond Indenture, the Authority will assign to the Bond Trustee as security for repayment of the 2005 Bonds the following:

(i) All right, title and interest of the Authority in and to the 2005 Note and all sums payable in respect of the indebtedness evidenced thereby;

(ii) All right, title and interest of the Authority in and to the Loan Agreement and the amounts payable to the Authority thereunder (except for certain rights retained by the Authority, including the Authority's rights to indemnification, to receive notices and payment of its expenses); and

(iii) Any and all other property of every kind, conveyed, pledged, assigned or transferred as and for additional security thereunder by the Authority or the Company, to the Bond Trustee, including without limitation, funds held by the Bond Trustee in any of the funds established under the Bond Indenture (but excluding any funds held for the payment of rebate pursuant to Section 148 of the Code).

Upon the occurrence of certain "events of default" under the Bond Indenture, the 2005 Bonds shall be subject to acceleration in accordance with the provisions of the Bond Indenture.

To secure the Company's obligations under the Loan Agreement, the Company will issue and deliver the 2005 Note pursuant to the Master Indenture, in an amount equal to the principal amount of the 2005 Bonds to the Authority for assignment to the Bond Trustee pursuant to the Bond Indenture. The 2005 Note will be payable in the same amounts and at the same times as the loan payments are due under the Loan Agreement, and such payments on the 2005 Note will constitute payment under the Loan Agreement.

The Master Indenture permits the Company to issue Master Notes in addition to the 2005 Note and to secure all Master Notes on parity with one another.

Each Master Note issued pursuant to the Master Indenture, including the 2005 Note shall be a general obligation of the Company and shall be entitled to the benefits of security of the Master Indenture. To secure payment and performance of all obligations of the Company in respect to the principal and interest on the Master Notes, all payment obligations and all Other Obligations (as such terms are defined in the Master Indenture) the Company pledges, assigns and grants to the Master Trustee a security interest in all of its rights, title and interest in the Pledged Assets. "Pledged Assets" are defined in the Master Indenture to include (a) the Gross Revenues, (b) all other funds held under the Master Indenture, together with any amounts and investments, if any, on deposit in such funds from time to time and all investment income thereon; provided, however, that any Reserve Fund created, established and maintained pursuant to any Supplement shall only secure the Related Indebtedness for which such Fund was created, (c) any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind assigned, pledged or transferred and delivered to the Master Trustee by the Company or by anyone on behalf of the Company with its written consent, as and for additional security for the Secured Obligations and (d) proceeds of the foregoing. The Company has covenanted, and pursuant to the provisions of the Master Indenture, not to create any Liens upon the Pledged Assets, now owned or hereafter acquired by it, other than Permitted Liens.

"Gross Revenues" are defined in the Master Indenture to mean all income, fees, rentals, earnings or other charges derived by the Company from the operation of the System, including connection charges.

The Company's obligations under the Master Indenture and the payment of the principal of and interest on the Master Notes are further secured by a mortgage of the property pursuant to a Mortgage and Security Agreement dated as of April 1, 2005, from the Company to the Master Trustee. The Mortgage secures future advances and readvances that may subsequently be evidenced by a Master Note. The Mortgage is subject to certain Permitted Liens (as defined in the Master Indenture).

4. Expiration of Offer. The Offer will expire on the Expiration Date. The term "Expiration Date" means 5:00 p.m., Eastern Time on April __, 2005, unless the

Company, in its sole discretion, shall have extended the period of time for which the Offer is open, in which event the term "Expiration Date" means the time and date to which the Offer is so extended by the Company. The Company may extend the Expiration Date, one or more times, for up to 60 days by giving notice by mail or other written means to the holders of the 1995 Bonds. Any tender of 1995 Bonds as of the Expiration Date may not be rescinded or otherwise revoked during the No-Rescission Period (that is, from and after the Expiration Date to a date 90 days thereafter). The investment and credit risk associated with tendered 1995 Bonds continues to be that of Bond Owners from the time of tender to the exchange, including during the No-Rescission Period. See Section 6 for a discussion of rights of withdrawal. For a description of the Company's rights to extend the period of time during which the Offer is open or to terminate or amend the Offer, see Section 4.

The Company reserves the right, in its sole discretion at any time to terminate, amend, or withdraw the Offer. Unless and until the Company withdraws the Offer, the Company will be obligated to exchange all 1995 Bonds tendered by Owners in accordance with the terms of this Offer for 2005 Bonds, subject only to the conditions set forth in Section 10 of this Offer to Exchange.

5. Extension of Offer; Termination; Amendment. The Company reserves the right, at any time and from time to time prior to the Expiration Date, to extend the Expiration Date, the period of time during which the offer is open, by giving oral or written notice of such extension to the Depository. If the period is so extended for a period or periods that aggregate up to 60 days, then the No-Rescission Period shall commence on the Expiration Date as so extended and terminate 90 days thereafter. No such extension shall be for a period of time that is shorter than 10 business days. The Company also reserves the right (i) to terminate the Offer at any time upon the occurrence of any of the conditions specified in clauses (a) through (c) of Section 10, by giving oral or written notice of such termination to the Depository, or (ii) to amend the Offer in any respect at any time or from time to time.

6. Acceptance for Exchange. Unless the Company has previously withdrawn its Offer, then, upon the terms and subject to the conditions of the Offer, 1995 Bonds properly tendered and not withdrawn before the Expiration Date will be exchanged for 2005 Bonds being the same principal amount and maturity date, subject only to the conditions set forth in Section 10 of this Offer.

7. Rights of Withdrawal. Tenders of 1995 Bonds are irrevocable, except that tendered 1995 Bonds may be withdrawn at or prior to the Expiration Date. To be effective, a written, telegraphic, telex, or facsimile transmission notice of withdrawal must be timely received by the Depository at its address specified on the back page of this Offer to Exchange. Any notice of withdrawal must specify the person named in the Letter of Transmittal, the principal amount of 1995 Bonds to be withdrawn, and the name of the registered owner and (if the 1995 Bonds have been delivered to the Depository) the certificate numbers shown on the particular 1995 Bonds to be withdrawn. All questions as to the validity of notices of withdrawal, including time of receipt, will be determined by the Company, in its sole discretion, whose determination shall be final and binding. Any withdrawn 1995 Bonds will be deemed not properly tendered for purposes of the Offer. However, withdrawn Bonds may be retendered, by following any of the procedures described in Section 7, at any subsequent time prior to

the Expiration Date.

8. Procedure for Accepting the Offer and Tendering 1995 Bonds. (a) In General. For an Owner to tender 1995 Bonds: (i) the 1995 Bonds, together with a properly completed and executed Letter of Transmittal and any other required documents, must be transmitted to and received by the Depository at its address listed on the back page of the Offer to Exchange prior to the Expiration Date, or in accordance with one of the procedures set forth below, or (ii) for 1995 Bonds that are not immediately available, the guaranteed delivery procedures described below, must be satisfied.

The authenticity of the signature on the Letter of Transmittal must be guaranteed by an eligible guarantor institution (such as banks, stockbrokers, savings and loan associations, and credit unions) with membership in an approved Signature Guarantee Medallion Program pursuant to S.E.C. Rule 17Ad-15 (each, an "Eligible Guarantor Institution"). If 1995 Bonds are registered in the name of a person other than the signer of the Letter of Transmittal, the 1995 Bonds must be endorsed, or accompanied by a bond power signed by the registered owner, with the signature on the endorsement or bond power guaranteed by an Eligible Guarantor Institution. If the 1995 Bonds are sent by mail, the Company recommends that the 1995 Bonds be sent by registered mail with return receipt requested, properly insured.

(b) Guaranteed Delivery Procedure. For the convenience of Owners whose 1995 Bonds are not immediately available, tenders may be made without the concurrent deposit of 1995 Bonds if such tenders are made by or through commercial bank or trust company having an office or branch in the United States, a firm which is a member of a registered national securities exchange, or is a registered municipal securities dealer, in the United States under the Securities Exchange Act of 1934, as amended, or a member in the United States of the National Association of Securities Dealers, Inc. (each an "Eligible Institution"). In such cases, a Notice of Guaranteed Delivery, duly executed, must be received by the Depository prior to the Expiration Date and the guaranty of delivery contained in the Notice of Guaranteed Delivery must have been executed by an Eligible Institution. The 1995 Bonds, a properly completed and duly executed Letter of Transmittal, and all other documents required by the Letter of Transmittal must be received by the Depository within ten business days after the date of receipt by the Depository of the Notice of Guaranteed Delivery.

If an Owner wishes to tender his 1995 Bonds and time will not permit such Owner's Letter of Transmittal, 1995 Bonds or other required documents to reach the Depository before the Expiration Date, such Owner's tender may be effected if a properly executed Letter of Transmittal has been deposited with an Eligible Institution, and (a) the Depository has received, prior to the Expiration Date, notice in writing from an Eligible Institution setting forth the name and address of the Owner and the face amount and the certificate numbers of 1995 Bonds tendered and stating that the tender is being made thereby pursuant to the terms of the Offer and guaranteeing that, within ten business days after the date of receipt by the Depository of such written notice, the Letter of Transmittal, together with the 1995 Bonds and any other documents required by the Letter of Transmittal will be deposited by such Eligible Institution Depository; and (b) a properly completed and duly executed Letter of Transmittal, and such 1995 Bonds and other documents are received by the Depository within ten

business days after the date of receipt by the Depository of such written notice. Inasmuch as the risk for the method of delivery of 1995 Bonds rests with the Owner, any failure to timely deliver the above notice, document or Bonds likewise rests with the Owners.

Any Owner who is unable to locate his 1995 Bond should write to or call Wachovia Bank, National Association, the Registrar for the 1995 Bonds, to inquire about the possibility of obtaining a replacement. The address and telephone number for making inquiries with respect to replacement of 1995 Bonds or any other matter which requires handling by the Registrar is: Wachovia Bank, National Association, Corporate Trust Operations, 200 South Biscayne Boulevard, 14th Floor, Miami, Florida 33131, Attn: Ednora Linares, Telephone Number (305) 789-4685, *Facsimile Number* (305) 789-4678.

The exchange of 2005 Bonds for 1995 Bonds tendered pursuant to the Offer will be made only after receipt by the Depository of such 1995 Bonds, a properly completed and executed Letter of Transmittal, and any other required documents. If other than the registered owner is to receive a Bond, the Depository must receive a separate assignment by the registered owner guaranteed, in the manner set forth above for Letters of Transmittal.

All questions as to the form of all documents and the validity (including time of receipt) of all tenders will be determined by the Company, whose determination shall be final and binding. The Company reserves the right to reject any or all tenders of 1995 Bonds not in proper form, or the acceptance of which would, in the opinion of the company's counsel, be inconsistent with the terms of the Offer. The Company also reserves the right to waive any of the conditions of the Offer or any defect in the tender of any 1995 Bonds. The Company's interpretation of the terms and conditions of the Offer (including the Instructions in the Letter of Transmittal) shall be final and binding. Any irregularities in connection with tenders must be cured within such time as the Company shall determine, unless waived by it. Tenders of 1995 Bonds shall not be deemed to have been made until all irregularities have been cured or waived. Neither the Company nor the Depository will be obligated to give notice of any defects or irregularities in tenders, and neither of them shall incur any liabilities for failure to give any such notice.

9. *Income Tax Consequences.*

In the opinion of Livermore, Freeman & McWilliams, P.A., Bond Counsel, under existing law interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Code, except for interest on any Bond for any period during which it is held by a "substantial user" or a "related person" as those terms are used in Section 147(a) of the Code, and interest on the Bonds is an item of tax preference under Section 57 of the Code and therefore maybe subject to the alternative minimum tax imposed on individuals and certain corporations under the Code. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds. The Bonds and the interest thereon are exempt from all taxation under the laws of the State of Florida except estate taxes and taxes measured by income which are imposed by Chapter 220, Florida Statutes, on "corporations", "banks" and "savings associations" as such terms are defined in Chapter 220.

10. Liquidity of 1995 Bonds. The 1995 Bonds are not listed on any securities exchange nor actively traded in any market known to the Company. The Company is aware of no information relating to any rating of the 1995 Bonds.

11. Certain Conditions of the Offer. The Company reserves the right, in its sole discretion at any time to terminate, amend, or withdraw the Offer without liability to any person tendering 1995 Bonds. The Company shall not be required to exchange 2005 Bonds for tendered 1995 Bonds and may terminate or amend the Offer or postpone the exchange of the 1995 Bonds if, at any time prior to such exchange:

(a) there shall have been instituted or threatened any action or proceeding before or by any court or governmental, regulatory, or administrative agency or instrumentality, or by any other person, which challenges the making of the Offer or the acquisition of 1995 Bonds pursuant to the Offer or otherwise directly or indirectly relates to the Offer or, in the opinion of the Company, otherwise directly or indirectly materially adversely affects the Company; or

(b) there shall have occurred (i) any general suspension of, or limitation on prices for, trading a securities on the New York Stock Exchange or the over-the-counter market, (ii) a commencement of war or armed hostilities or other international or national calamity directly or indirectly involving the United States, or, if any such war, hostilities or calamity shall have commenced at or prior to the date of this Offer to Exchange, any material increase in the level of such war, hostilities or calamity, or (iii) a declaration of banking moratorium or any suspension of payments in respect of banks in the United States, the State of New York, or the State of Florida on, or any other event which might affect, the extension of credit for banks or other lending institutions;

which, in the sole opinion of the Company, and regardless of the circumstances (including any action by the Company giving rise to such event), makes it inadvisable to proceed with the Offer and with such Exchange. The foregoing conditions are for the sole benefit of the Company and may be waived by the Company, in whole or in part. Any determination by the Company concerning the events described in this Section 10 shall be final and binding upon all parties.

Until the Expiration Date, the Company cannot estimate with any degree of accuracy the aggregate amount of 1995 Bonds that will be tendered for exchange pursuant to the Offer. The Company anticipates that, after the Expiration Date, it will determine the aggregate amount of the 2005 Bonds necessary to issue to exchange for 1995 Bonds tendered by the tendering Owners pursuant to the Offer and will proceed with the exchange of the 2005 Bonds. The Company expects to withdraw the Offer if, in its sole judgment, a sufficient amount of 1995 Bonds has not been tendered to justify the time, effort, and expense of consummating the exchange of the 2005 Bonds.

12. Fees. Wachovia Bank, National Association, as Depository, and First Southwest Company, as Financial Advisor to the Company will receive reasonable and customary compensation for their services in connection with the Offer and will be reimbursed for their reasonable out-of-pocket expenses.

The Company will not pay any fees or commissions to any broker, dealer, or other person in connection with the solicitation of tenders of 1995 Bonds pursuant to the Offer. No broker, dealer, commercial bank, trust company, or fiduciary shall be deemed to be the agent of the Company, the Depository, or the Financial Advisor for purposes of the Offer.

13. Miscellaneous. The Offer is not being made to, nor will the Company accept tenders from, Owners of 1995 Bonds in any jurisdiction in which the Offer or the acceptance thereof would not be in compliance with law. No person has been authorized to give any information or make any representation on behalf of or with respect to the Company not contained herein, and if given or made, such information or representation must not be relied upon as having been authorized.

The delivery of this Offer to Exchange has been authorized by the Board of Directors of North Key Largo Utility Corp.

NORTH KEY LARGO UTILITY CORP.

Letters of Transmittal and 1995 Bonds should be sent or delivered by you or your broker, dealer, bank, or trust company to the Depository as follows:

The Depository:

Wachovia Bank, National Association
200 South Biscayne Boulevard,
14th Floor
Miami, Florida 33131
Attn: Ednora Linares
Telephone: (305) 789-4685
Facsimile Number: (305) 789-4678

(Eligible Instructions Only)

Any questions or requests for assistance may be directed to the Depository or the Financial Advisor. Owners may also contact their brokers, banks, or trust companies for assistance concerning the Offer.

The Financial Advisor for the Offer is:

First Southwest Company
20 N. Orange Avenue,
Suite 1209
Orlando, Florida 32801
Attn: John E. White
Senior Vice President

Telephone: (407) 426-9611
FAX: (407) 426-7835
Email: jwhite@firstsw.com

APPENDIX E

**NOTICE OF REDEMPTION
MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT REVENUE BONDS
(NORTH KEY LARGO UTILITY CORP. PROJECT), SERIES 1995**

NOTICE IS HEREBY GIVEN by the Monroe County Industrial Development Authority, that all of its outstanding Industrial Development Revenue Bonds (North Key Largo Utility Corp. Project), Series 1995, dated March 9, 1995, originally issued on March 9, 1995, which mature on March 1, 2025, bearing interest at the rate of 8.00% per annum and CUSIP No. 610506 AB3, and which are redeemable on March 1, 2005, or on any date thereafter, at the option of the Authority, at the redemption price of the principal amount of each bond to be redeemed, together with interest accrued thereon to the date fixed for redemption, plus a premium equal to 2% of the par value thereof, will become due and payable and will be redeemed on _____.

Payment of the redemption price, plus accrued interest, of such bonds will be made on _____, the redemption date, at the office of Wachovia Bank, National Association, Miami, Florida, as successor to First Union National Bank of Florida, the paying agent for the Bonds, upon surrender thereof. Interest on such Bonds being redeemed will cease to accrue from and after such redemption date.

Under the provisions of the Interest and Dividend Tax Compliance Act of 1983 (the "Act"), all holders submitting their Bonds for redemption must submit a W-9 (Certificate of Taxpayer Identification Number) in order to avoid 31% backup withholding required under the Act.

Dated and mailed this ____ day of _____.

**MONROE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY**

By /s/ _____
Chairman